Secta. II-37—100,206—21-5-48.

Food (1949) Department.

Ms. SERIES.

G.O. No. 11

Dated 4th January 1949.

[Despatch Abstract.]

Civil Supplies - Salt - Price control and distribution from Madras Sources - Minutes of discussion with Salt Controller for India on 29th December 1948 - Papers recorded.

BY AIR MAIL

No. Salt (D)V-8-3/48/13106
Government of India,
Ministry of Industry and Supply
Office of the Salt Controller for India,
New Delhi, the 27th December, 1948

From

Rai Bahadur D.N. Mukerjee,
Salt Controller for India

To

1. The Secretary to the Government of Madras,
Department of Food, Madras.

2. The Deputy Salt Controller,
Madras.

Sir,

Final scheme of zonal distribution of salt from Madras Sources.

I have the honour to forward herewith copies of final scheme of zonal distribution of salt from Madras (Tuticorin, Adirampatnam-cum-Cuddalore-cum-Madras, Pennuguduru, Naupada) sources, as approved by the Central Board of Transport for your information. It will take effect from 1st January, 1949

Yours faithfully,

D.N. Mukerjee 27-12-48,
Salt Controller.

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p.t.o.

ZONAL DISTRIBUTION SOUTH INDIA .....ABSTRACT.

Production in 1948 in thousands of Maunds (1)	Production available i.e. total production less 25%. (2)	Area to be supplied in 1949 (3)	Annual requirement of salt at 14 lbs. per Capita. (4)	REMARKS. (5)
Tuticorin zone				
61,95	46,46	1.(a) Districts of Tinnevelly, Ramnad, Madura, Malabar, Coimbatore, South Kanara, Nilgiris and Coorg (whole) and Districts of Trichinopoly (Part) Salem (part) and North Arcot (part)	35,35 or 9,96 M.G. wagons per month	B.G. Wagons = 550 Mds. M.G. " = 295 " 1111. surplus remaining part of Trichy in zone II.
		(b) Pudukottah State and Cochin State		
Adirampatnam-Cuddalore-Madras zone				
88.85	66,64	(a) Part of districts (1) Trichinopoly (2) Nellore (3) Guntur (4) Anantapur (5) Kurnool (6) Bellary (7) Salem and (8) North Arcot and the whole of one Tanjore (2) South Arcot (3) Chingleput (4) Madras (5) Chittoor and (6) Cuddapah districts	43,50 or 79 B.G. wagons and 1083 M.G. wagons per month.	Part of Trichy in Zone 1. Parts of Nellore and Guntur in Zone 3.
		(b) Banganapalle State, 2. Districts of Mehbubnagar (Part) and Nalgonda (Full) of Nizam State and Dts. of Bangalore (2) Kolar (3) Tumkur (part) (4) Mysore (5) Mandya and(6) Hassam (Part) of Mysore State.		Parts of Mysore and Nizam in Bombay Zone. Parts of Anantapur, Kurnool and Bellary in Bombay zone - 23,14 surplus.
Pennuguduru zone				
35,26	26,44	(a) Nellore (Part) Guntur (Part) Krishna, West Godavari & East Godavari (b) Eastern Portion of Nizam.	20,63 or 3,13 B.G. wagons per month 581 surplus	1. Nellore & Guntur Dt. other parts are in Zone II. 2. Nizam other parts are in Zone II and Bombay Sea Salt zone.

/p.t.o.

1.	2.	3.	4.	5.
Naupada zone				
31,49	23,62	(a) Vizagapatam of Madras, Koraput, Ganjam, Puri and Sambalpur (Southern part) of Orissa, and Raipur of C.P. (b) Bastar State merged in C.P. (c) Patna and Kalshandi States merged in Orissa.	19,75 or 300 B.G. wagons per month	The other parts of Sambalpur in Calcutta Zone 387 surplus.
TOTAL 217,55	163,16		1,19,23 or 692 B.G. wagons and 2079 M.G. wagons per month.	

/p.t.o.

1.	2.	3.	4.	5.	6.	7.
Adirampatnam (contd.)		Covelong	1258	Sandur State	3	
		Vallur	466	Nizam State	310	
		Attiput - South	462	(Districts)		
		" - North	341	Mehbubnagar Part		
		Voyalur	229	Nalgonda		
		Tada	317	Guntur	184	
		Krishnampatam	1011	Mysore State		
		Total	8885	(Districts)		
				Bangalore	811	
				Kolar		
		Available i.e. total		Tumkur (part)		
		less 25%	6664	Mysore		Other parts of Mysore
				Mandya		in Bombay zone.
				Hassan (part)		
				French supply	50	
				Total	4359	
Penuguduru		Iskapalle	535	Guntur (part)	205	Other parts in Zone 2
		Pakala	816	Kistna	246	
		Kanuparti	213	West Godavari	235	
		Chinnaganjam South	427	East Godavari	379	
		" North	320	Nellore part	175	
		Manginipudi	184	Nizam States	832	
		Pandraka	110	(Districts)		
		Penuguduru	288	Adilabad		
		Guruzanapalle	486	Karimnagar		
		Jaganaickpur	147	Warangal		
			----	Nizambaghat		
		Total	3526	Nizam-States		
		Available i.e. total		Mahabubnagar (part)		
		less 25 %	2644	Total	2063	

P.t.o.

ZONAL DISTRIBUTION FOR SOUTH INDIA

Srl. No.	Name of Zone.	Sources in the zone	Average production 1948 figures upto 23rd Sept. 1948.	District covered.	Consumption on 14 lbs. per Capita Basis in thousands	REMARKS.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tuticorin		Kulasekarapatnam	52	Tinnevelly	383	
		Keeranur	580	Ramnad	338	
		Kayalpatnam	314	Madura	418	
		Urani -Extem	377	Trichinopoly (Part)	275	Part in zone 2
		Urani	1016	Malabar	675	
		Karapad	770	Coimbatore	480	
		Sevandakulam	1238	South-Kanara	260	
		Sevingipuram	959	Nilgiris	36	
		Arasadi	219	Coorg and Cochin State	272	
		Veppalodai	332	Pudukottah (State)	75	
		Morekulam	132	Salem (part)	289	
		Vattanam	121	North Arcot (part)	40	Part in zone II.
		Theethanda thanam	85		---	
		Total	6195	Total required	3535	
		Available i.e. total less 25%.	4646			
2.	Adirampatnam-cum-Cuddalore cum-Madras.	Kauhumavadi	123	Tanjore	438	
		Thambikottai	132	Trichinopoly (part)	100	Part in zone one
		Veddaranyam	1687.	Salem (part)	200	
		Adirampatnam	624	South Arcot	446	
		Negapatnam	79	North Arcot (part)	400	Part in Zone one
		Tranquebar	101	Chingleput	311	
		Neideyasal	225	Madras	133	
		Manambadi	87	Chittoor	279	
		Cuddalore	166	Anantapur (part)	154	Part in Bombay.
		Markaham Extn.	64	Cuddapah	180	
		Markanam	694	Kurnool (part)	154	do.
		Chunampet	392	Bellary (part)	89	do.
		Cheyyur	438	Nellore (part)	100	do.
				Banganapalle (State)	8	

p.t.o.

1.	2.	3.	4.	5.	6.	7.
	Naupada	Palavaram	72	Vizagapatam	657	
		Balacheava	713	Koraput (Orissa)	193	
		Bimlipatam	79	Puri (Orissa)	188	
		Konda	73	Raipur	249	
		Calingapatam	231	Sambalpur (part)(Orissa)	52	
		Naupada	651	Ganjam (Orissa)	317	
		Mulapeta	865	Bastat State (C.P.)	109	
		Bavanapadu	215	Patna State	108	
		Pundi	250	Kalahandi	102	
			----		----	
		Total	3149	Total	1976	
		Available i.e. Total less 25 %	2362			

Abstract

Srl. No.	Zone	Total Production in thousands maunds	Total available i.e. Total less 25%	Total required	Surplus.
1	1.	6195	4646	3535	1111
	2.	8885	6664	4350	2314
	3.	3526	2644	2063	581
	4.	3149	2362	1975	387
Total		21755	16316	11923	4393

Minutes of a meeting with the Government of Madras held on 29-12-48 at Madras.

PRESENT:

1. Rai Bahadur D.N. Mukerjee, Salt Controller for India
2. Rao Bahadur M.A. Kuttalalingam Pillai, Secretary, Food Department, Government of Madras
3. Mr. B.G. Everard, Deputy Salt Controller Madras,
4. Mr. U. Kumarayya, Dy. Secretary, Govt. of Madras
5. Mr. C.D. Janaki Raman, Asstt. Secretary, Board of Revenue (C.S.).

1. The zonal scheme was discussed and approved subject to the reservation of 25 per cent of the annual production as minimum stock to meet any emergency.

2. It was pointed out that in the zonal scheme of distribution the estimate of requirement was based on 14 lbs. per capita as against 19 lbs. in 1948. After discussion it was decided to watch the consumption during the first half-year of 1949 before any increase was made. The reserve of 25% in each factory and the calculated surplus under each zone was sufficient to guard against any increased consumption in the Province.

3. It was pointed out that the Provincial Government will not nominate for the time being, any traders in the district for dealing in salt but would allow free trade.

4. It was agreed that as long as the zonal scheme was in force, there was no necessity to re-impose the ban on export from the Province.

5. It was agreed that the ex-factory, wholesale and retail prices would continue as the ceiling prices in force within the Province and there was no necessity to abolish them.

6. The Deputy Salt Controller will, in consultation with the Regional Controller of Railways fix the number of wagons to be allotted to each loading station nearest to the salt factory as per programme of distribution of salt according to the population of each district prepared by the Salt Controller, and submit the programme for the approval of the Salt Controller. Subject to Railway restrictions, the principle of minimum control should be observed in preparing the allotment programme so as to allow competitions amongst the factories as much as possible. In the case of Tanjore district, the movement should be so regulated as not to interfere with the rice movement during February to June and October to November.

7. It was agreed that the priority in the allotment of wagons should be given to the licensed factories in preference to small scale unlicensed producers of less than 10 acres who should confine their distribution within a reasonable limit round about their factories.

8. Arrangement will be made for the export of surplus salt from each zone to Calcutta as far as quality and the price permit.

C.No.Salt (D)V-8/3/48
Government of India,
Ministry of Industry & Supply
Office of the Salt Controller for India
New, Delhi, Camp-Madras the 29th Decr. '48.

Copy forwarded to:

1. The Secretary, Food Deptt. Govt. of Madras for information
2. Deputy Salt Controller, Madras for information and necessary action.

Sd/ * *
Salt Controller for India.

p.t.o.

Government of Madras

(Abstract)

CIVIL SUPPLIES - Salt - Price control and distribution from Madras sources - Minutes of discussion with Salt Controller for India on 29th December 1948 - Recorded.

Food Department

G.O. Ms.No.11, Dated 4th January, 1949
Read the following:--

From the Controller, Letter No.Salt (D)/V-8-3/48,13106, dated 27th December 1948
Recorded Note of discussions on zonal scheme of Salt in South India with the Salt Controller for India at Food Secretariat on 29th December 1948
From the Salt Controller for India, letter No.C.Salt (D)V-8/3/48, dated 29-12-1948

Order:

Recorded.

(By Order of His Excellency the Governor)

Sd/ ** **
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To the Board of Revenue (Civil Supplies) for information and guidance (with a copy of pp.111-121 c.f., pp.123-125 c.f. and of pp.24-26 N.F.)

(True copy of c.f.)

Superintendent,
Madras Record Office.

aj/7.7.

SALT - Zonal Scheme for distribution in South India.

(Previous notes regarding discussions with Salt Controller circulated to H.M.(Food) at pp.5-6 above.).

The Salt Controller, Rai Bahadur D.N. Mukerjee accompanied by the Dy. Salt Controller, Mr. B.G. Everard, came over to the Secretariat on 29-12-48 for discussions regarding the proposed Zonal scheme, removal of price control, etc. The discussions took place in the Secretary's room.

The Salt Controller handed over copies of the final scheme of zonal distribution of salt from Madras sources as approved by the Central Board of Transport and said that the scheme would take effect from 1-1-1949. He explained that the scheme covered only railway movements and that the object of the scheme ~~covered only railway movements and~~ was to avoid haulage and cross movements and to make the best use of the available transport capacity. He indicated that under the scheme a definite quota of wagons would be allocated daily for movement of salt from specific factories to each of the districts assigned to them to avoid deficit pockets being formed in any of those districts. He also envisaged a similar zonal scheme by sea in respect of the surpluses shown in the statement.

The discussions were mainly confined to the following points:--

(i) Estimates of production and consumption: It was pointed out to the Salt Controller that his estimates of production were based upon the current year's production figures, which is a peak year, and not upon the average production during the past 5 years as it should be. Similarly, in regard to the estimates of consumption, he was told that they were based upon the census figure of 1941 instead of 1948 and on the per capita consumption of 14 lbs. per annum instead of 19 lbs. per annum, which is the estimated per capita consumption figure for this Province. As regards production figures he said that the zonal scheme applied to 1949 and as such the scheme was concerned with the disposal of the production during 1948. Regarding consumption he said that the idea was to adopt a uniform per capita consumption figure throughout India, and that he had adopted 14 lbs. although the average figure was 11 lbs. for India. He also said that the whole scheme would be reviewed after it was given a trial for a period of about three months and, if in actual practice the consumption figures were found to be an underestimate, he would make necessary adjustments as the requirements could be met from out of the surplus of 43.93 lakhs of maunds available under the scheme.

(ii) Provision for meeting emergencies: The Salt Controller had made provision for reservation of 25 per cent of the production of salt at each factory to meet emergency needs. It was suggested to him that a statutory provision should immediately be provided for to ensure this reservation. Under the existing rules only Modified Excise factories could be required to reserve 50 per cent of their produce but even regarding there was no provision to direct the manufacturer to dispose of the salt in a particular way. The Salt Controller said that before a specific provision was made in this regard, he would see to it that the Officer in charge of the ~~fac~~ factory did not allow the movement of salt from any factory unless the factory had always in its possession a reserve of 25 per cent of its production. He wanted this Government to contact the Deputy Salt Controller if any scarcity was felt in any area and salt had to be moved from the reserve stock. The Deputy Salt Controller would use his executive authority for this purpose.

(iii) Prices: We have controlled the price of salt, both ex-factory and at the consuming centres. It was agreed that price control should continue. The Salt Controller, however,

had....

had no objection to the Provincial Government increasing the present margin of profit to the wholesaler, say from 6¼ per cent with a view to stimulate movements from the factories to the consuming centres in the Province. The question of altering the wholesale price-structure accordingly will be examined separately.

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(iv) Allocation of factories to dealers: So far as the allocation of factories to consuming centres and nomination of dealers to receive consignments of salt in each district of this Province are concerned, he said that he would leave it to the Provincial Government either:

(1) to allow trade to function through normal channels under competitive conditions of free-trade within a particular zone;

or

(2) to appoint dealers for each of the district, in the Province.

He was, however, given to understand that this Government would prefer the former alternative, providing if necessary Sub-zones to avoid cross-movements.

The Salt Controller's attention was drawn to the fact that according to the Vedaraniam manufacturers, adequate wagons of salt are not allotted to them for moving out large quantities of salt accumulated there. He said that hereafter wagon allotment for salt movement would be entirely in the hands of the Deputy Salt Controller, Madras and that any such allegation arising in the future should at once be referred to him to enable him to take suitable action.

The question of persons enjoying the 10-acre concessions and selling the salt at prices less than the controlled rates was then discussed and it was considered that those persons might dispose of their stuff in the neighbouring areas and that no special railway facilities need be afforded to them.

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30-12-1948

D.S.

The minutes of discussions on 29-12-48 since received from the Salt Controller at pp.123-125 may be perused. They are confined only to the main points discussed and certain details which ~~which~~ have been recorded in the notes at pp.24-26 above have been left out. No remarks seem called for on them except the following:-

1. The names and designations of those present as shown against items 4 and 5 have not been correctly recorded. But the point does not appear to be material.

2. In the discussions on the estimates of consumption, it was indicated that a period of three months would be sufficient to watch the working of the scheme and thereafter to take necessary measures to remedy the defects, if any. But in his minutes of discussion, the Salt Controller has stated that it was decided to watch the consumption during the first half year of 1949 before any increase was made. However, it does not matter much if a review is made either after 3 months or after 6 months so long as there are sufficient reasons and surpluses to guard against any increased consumption in the produce.

A copy each of the recorded notes of discussions with the Salt Controller and of his minutes since received may be forwarded to the Board of Revenue (C.S.) for information and guidance. Subject to orders, a draft order recording the papers, with a copy to the Board is submitted.

p.t.o.

Yes. Please see whether there are no points on whic xgg xkkxxkimx ix xx action is called for.

There are three specific matters on which ~~strict~~ actio should be taken --

A

(i) price fixation.
(ii) Getting periodical reports regarding salt schemes. The Board should be asked to ~~submit~~ write this and
(iii) Getting also a report

** **
1949.

[Issued as G.O.Ms.No.11 Food, dated 4x-1 -1949]
(Previous Note issued by Press Information Bureau of Government of India on Zonal Scheme)

D.S.

In pursuance of the discussions, matters relating to - 1. The issue of a salt control order for Madras similar to the control orders issued by other Provincial Governments and (2) alteration of the present price-structure have been taken up for examination separately - vide linked files I and II below. No other specific action on the minutes of discussions seems called for at the moment. The Board will no doubt come up to Government for any further action that may be deemed necessary.

2. As regards A above, it is submitted that at present we have been receiving copies of the fortnightly reports sent the Government of India by the Board showing price and stock position in each district of the Province. But it appears desirable to call for a special report for every two months fr the Board on the actual working of the zonal scheme. Subject to orders a draft Memo. is submitted.

Once a month desirable

3. India have issued a Press Note on the Zonal Scheme - copy at p.129 c.f.

** **
9-1-1949
(Issued as Memo No.37323-G/48-6, dated 10th January 1949)
(Closed as G.O.Ms.No.11, Food, dated 4th January 1949

(True copy).

Superintendent,
Madras Record Office.

aj/7.7